

Sample Resolution

**RESOLUTION AUTHORIZING A REVOLVING PETTY CASH FUND AND
NAMING AS THE CUSTODIAN OF SAID FUND**

_____ **County Fire Protection District No.** _____

RESOLUTION NO. _____

WHEREAS: Fire district operations require several small purchases to be made within the local area; and,

WHEREAS: Paying small bills through the regular governmental system is time consuming and costly; and,

WHEREAS: Paying of such bills within a petty cash account will result in savings to the fire district;

NOW, THEREFORE BE IT RESOLVED, by the Board of Fire Commissioners of _____ County Fire Protection District #_____, state of Washington, that:

A revolving petty cash fund in the amount of _____ dollars (\$_____) is established and that _____ be designated and so named the custodian of that account. **Note:** This person must be named by name.

Passed and approved this _____ day of _____, 2_____.

Chairperson

Commissioner

Commissioner

Secretary to the Board

Note: This Petty Cash Fund may be set up in a checking account.

PETTY CASH

For the purpose of the BAR System, petty cash includes change funds, working funds, revolving, advance travel, stamp funds, etc.; in other words, any sum of money or other resources set aside for such specific purposes as minor disbursements, making change, and similar uses. If the petty cash is disbursed, it is periodically restored to its original amount by a warrant drawn and charged to the applicable operating fund. The amount of the warrant should equal the aggregate of the disbursements.

The following are minimum requirements for the establishment and operation of petty cash accounts:

1. The governing body must authorize each petty cash account in the manner that local legislation is officially enacted, i.e., resolution or ordinance. This applies also to all subsequent increases or decreases in the imprest amount.
2. The governing body or its delegate must appoint one custodian of each petty cash account who should be independent of invoice processing, check signing, general accounting and cash receipts functions. As part of the appointment, the custodian shall render a receipt for the imprest amount to the treasurer, clerk-treasurer or auditor from whom he/she receives it.
3. The governing body or its delegate shall assure that the amount in petty cash is periodically counted and reconciled by someone other than the custodian.
4. The custodian shall assure the petty cash is kept in a safe place.
5. The imprest amount may be established by treasurer's check or in double entry systems by warrant. If established by warrant the transaction is a nonbudgetary item.
6. The governing body must include the authorized amount of all such petty cash in the local government's balance sheet.
7. If petty cash is disbursed, it must be replenished at least monthly by warrant or check payable to the custodian. The replenishment should be subject to the same review and approval as processed invoices. The replenishment must be by voucher with the appropriate receipts attached. The receipts should show the date, recipient, purpose, and amount of each cash disbursement. These receipts should be perforated or cancelled by some other appropriate means to prevent reuse. At the time of replenishment, the custodian should ensure that the balance remaining in petty cash, together with the amount of the replenishment voucher, equals the authorized imprest amount.
8. The imprest amount of petty cash should not exceed one month's salary or the surety bond covering the custodian.
9. The fund may not be used for personal cash advances even if secured by check or other IOUs. See separate procedures applicable to advances for travel expenses.
10. Petty cash should always be replenished at the end of the fiscal year so that expenses will be reflected in the proper accounting period.
11. Whenever an individual's appointment as custodian is terminated, the fund must be replenished and the imprest amount turned over to the treasurer or other disbursing officer.